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COMMENTS ON CFEP 572 - SUMMARY OF THE ROCKEFELLER REPORT ON  
FOREIGN ECONOMIC POLICY FOR THE TWENTIETH CENTURY

The summary of the Rockefeller Report by the Council on Foreign Economic Policy indicates clearly that the emphasis of the report is upon the development of orderly international economic institutions and relationships in the Free World. The Communist threat to the Free World, accordingly, is treated as a peripheral problem whose main function is to provide a sense of urgency to the solution of indigenous Free World problems. Only one aspect of this threat -- the comparison between rates of growth in the Communist Bloc and the industrialized Free World -- is analyzed in the report. The analysis is different from ours.

The Rockefeller report estimates that the Bloc and industrial Free World countries are presently expanding at about the same rate, 4.5 percent per year. It is not possible, because of the absence of a methodological section, to review the rates of growth included in this report for the Bloc area. According to our estimates, however,

the report considerably understates the past development of the European Satellites and Communist China. In the case of the European Satellites, the average annual rate of growth of GNP was about 6 percent from 1953 to 1956 in contrast with the 3 percent rate used in the Rockefeller Report. Although the growth of Communist Chinese GNP progressed at an extremely uneven rate, the annual average for the First Five Year Plan was 6 percent in contrast with the 2 percent rate used in the Report. The substitution of our estimates of these rates of growth in conjunction with the Rockefeller estimated rate of 6 percent for the USSR would imply an annual rate of Bloc growth of 6 percent rather than the 4.5 percent used for the report's projections.

The report's estimate of a low rate of growth for the European Satellites and China allows it to overlook a significant aspect of the economic competition between the Bloc and Free World, namely the contrast between an annual rate of growth of 6 percent for the less developed Bloc countries, especially China, and a rate of growth

estimated by the report of 2.5 percent for the less developed Free World countries. This contrast underlines the urgency which the report properly places upon solution of the economic problems of the less developed Free World countries.